

CLEVELAND PUBLIC LIBRARY
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CORPORATION FILE

1968

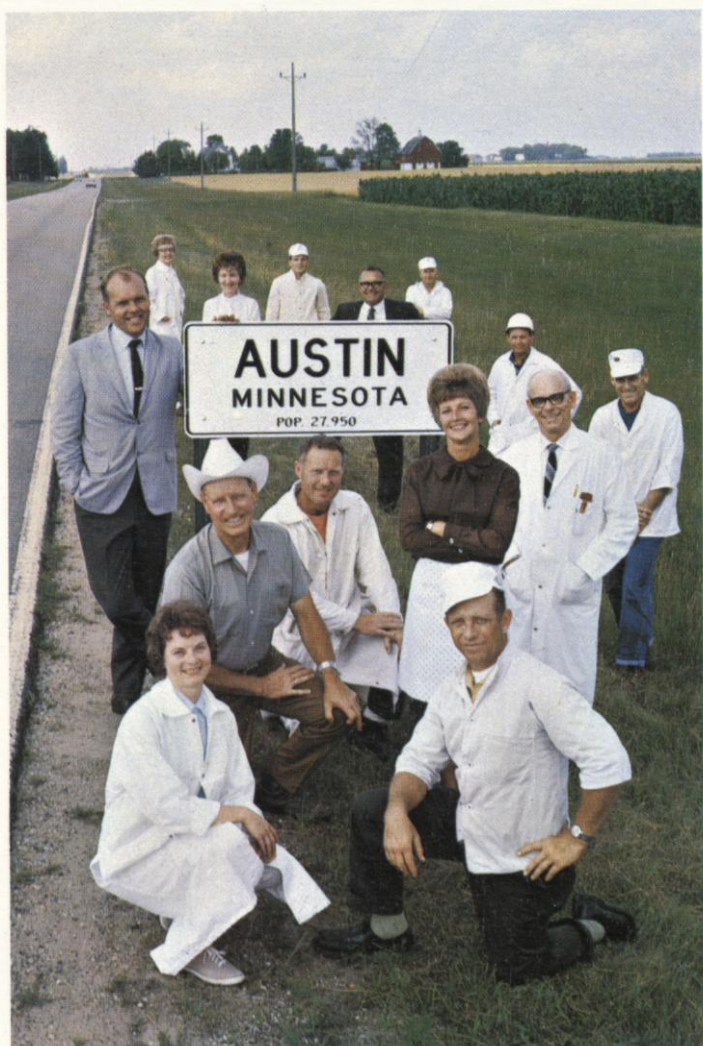
Hormel

Financial Report

GEO. A. HORMEL & COMPANY/AUSTIN, MINN./FISCAL YEAR ENDING OCT. 26, 1968

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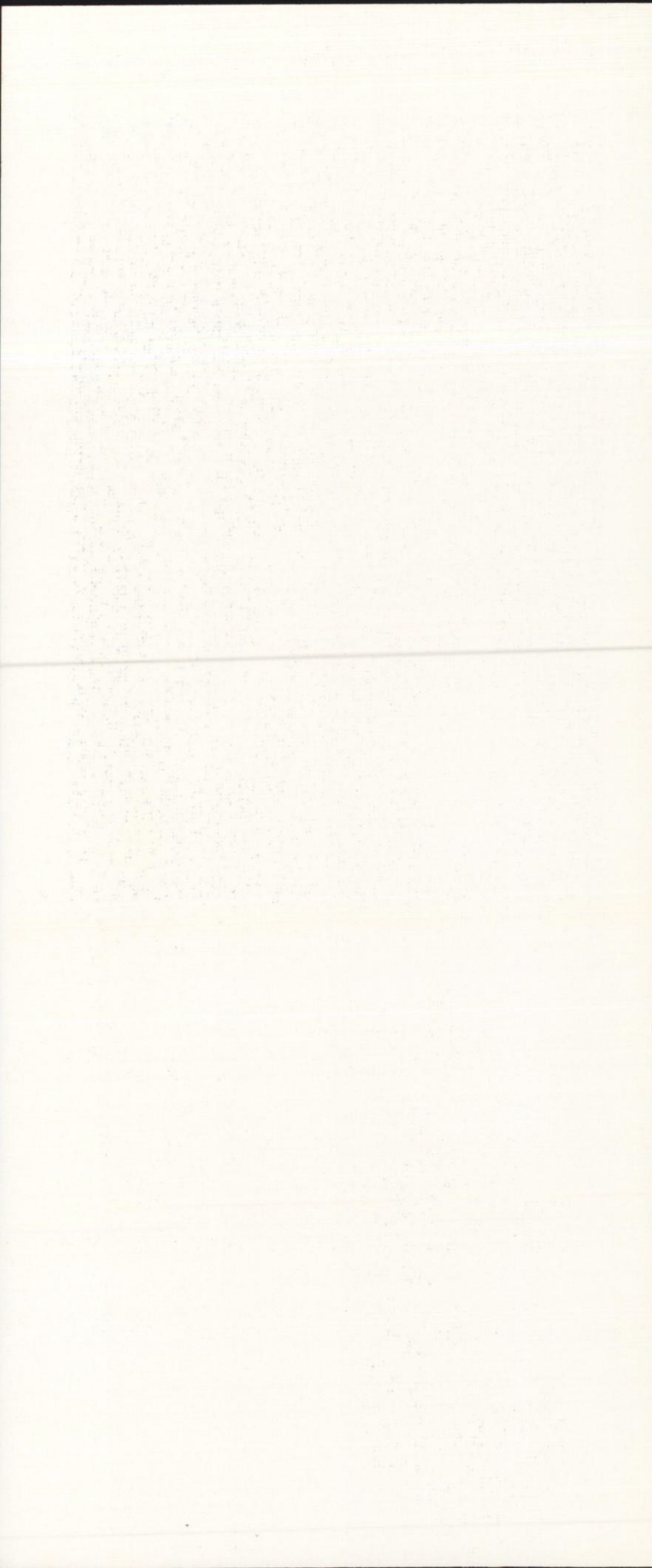
SENT BY TO



This group comprises only a fragment of the 8,000 people working for The Hormel Company. Yet, they are representative of the skills and attitudes of all people employed nationwide by Hormel.

These same 8,000 people — combining desire, initiative and cooperation with sound talent and ability — have been a significant factor in the Company's dramatic growth. The continuous search for excellence and uncompromising quality by these employees have helped to propel Hormel into the prominent position it enjoys in the industry today.

The above photograph was used in a half-page advertisement appearing in the October, 1968, issue of FORTUNE Magazine.



1968 HIGHLIGHTS

*Net earnings were a record
\$9,133,993.

*Total sales also reached an
all-time high.

*Regular dividend rate increased
50 per cent.

Net Sales	\$585,879,295
Net Earnings after taxes	\$ 9,133,993
Per Share of Common Stock	\$3.84
Per Dollar of Sales	1.56%
Dividends to Stockholders	\$ 2,320,743
Per Share	\$.975
Capital Expenditures	\$ 6,801,349
Depreciation	\$ 3,577,717
Working Capital	\$ 40,497,197
Stockholders' Equity	\$ 70,220,170

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NOTICE OF ANNUAL MEETING

The annual meeting of stockholders will be held on Tuesday, January 21, 1969, in the Austin High School Auditorium, Austin, Minnesota. The meeting will begin at 8 p.m.

You are most cordially invited to attend.

Austin, Minnesota
January 6, 1969

TO THE SHAREHOLDERS
OF GEO. A. HORMEL & COMPANY

Your Company attained record high levels of sales and earnings for the fiscal year which ended on October 26, 1968. This performance is commensurate with our established pattern of planned growth. Financial details, a review of our capital investment plans and of marketing successes are to be found elsewhere in this report.

Your Company, more firmly established than ever before as a growing, progressive firm, has entered the new fiscal year in a strong financial position, and with exceptional capabilities in terms of personnel.

We look forward to another year of healthy growth. As always, we welcome your inquiries and suggestions concerning the business.

R F Gray

M B Thompson



R. F. GRAY
Chairman of the
Board



M. B. THOMPSON
President
Chief Executive Officer

A REVIEW OF OPERATIONS

THE YEAR 1968 WAS MARKED BY A CONTINUATION OF THE UPSURGE IN THE HORMEL COMPANY'S BUSINESS. SALES AND EARNINGS WERE THE BEST IN HISTORY — MAINTAINING THE STRONG UPWARD TREND OF RECENT YEARS. CASH DIVIDENDS WERE INCREASED, AND SHAREOWNERS' EQUITY CONTINUED TO GROW.

The fiscal year 1968 marked another period of growth and progress for Geo. A. Hormel & Company. New records were achieved in earnings, dollar sales, and physical volume of products sold.

Also, new highs were established in the distribution for the Employee Pension Trusts and in expenditures for capital improvements and the maintenance and repair of physical properties. The regular dividend rate was increased 50% during the year to 30¢ a share, after the 2-for-1 stock split on February 2, 1968.

Net Earnings Are Record High

Net earnings for the year were \$9,133,993, a new high, and an increase over last year of \$475,756. Earnings were reduced measurably by the recently enacted

Federal surtax on income. Joint Earnings made available to eligible employees for the year was \$2,428,909. Since the beginning of Joint Earnings, 30 years ago, the sum of \$32,210,160 has been provided out of the earnings of the Company for employees.

Per Share Earnings, Dollar Sales Increase

Stated on the basis of a per share of common stock, the earnings in 1968 were \$3.84 a share, as compared to \$3.64 a share in 1967. The dollar sales, after returns and allowances, were \$585,879,295. Sales for 1967 were \$548,818,648. This increase of

6.8%, though moderate, gives evidence of continuing growth.

The volume of product sold increased to 1,507,545,941 pounds — 5.7% more than a year ago.

The progress made in earnings and sales is the result of improved and more intensive planning of the production and marketing of all major products, a persistent program of reducing costs, and the aggressive teamwork of the people of Geo. A. Hormel & Company.

Capital Improvements, Additions Discussed

The Company carried forward its program of adding to and improving the physical assets of the business. A total of \$6,801,349 was expended on improvements and additions. After retirements and adjustments, the net addition to capital assets was \$5,083,561. Further, approximately \$10,485,600 was spent for the normal and regular maintenance and repair of capital assets, equipment and machinery. As reported in 1967, your management had programmed and budgeted capital expenditures in 1968 to be \$15,000,000. A number of factors held down the fulfillment

of that program, among which were adverse weather conditions affecting the construction at one building site, architectural and engineering aspects of a number of projects, and delays in the procurement of certain materials. The rather substantial 1968 carryover is included in a capital improvement program for 1969, currently estimated to be approximately \$16,500,000.

Depreciation for the fiscal year 1968 was \$3,577,717. Last year it was \$3,416,964.

Dividend Rate Increased Twice

Dividends paid and accrued were \$2,320,743. The Board of Directors increased the dividend rate twice — once on December 18, 1967, payable February 23, 1968, from 40¢ to 45¢ a share,

prior to the 2-for-1 stock split, and again on September 23, 1968, from 22½¢ to 30¢ a share, after the 2-for-1 stock split. Geo. A. Hormel & Company has paid dividends for 40 consecutive years.

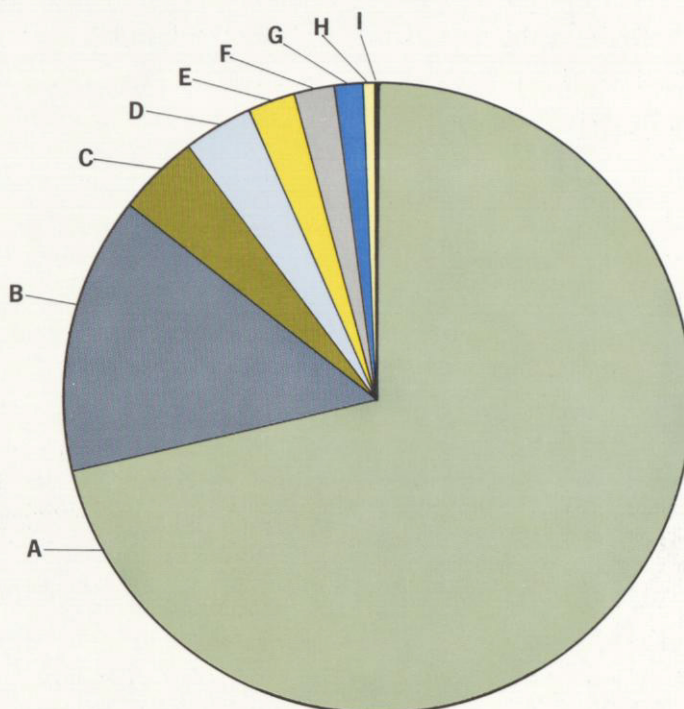
Over \$6 Million Added To Employee Pension Trusts

The sum of \$6,064,000 was provided for current and past services under the Employee Pension Trusts. This sum, together with distributions in prior years

to the Profit Sharing Trust and Employees Pension Trusts, makes a total of \$47,919,877 allocated to the employee retirement program. As of the end of the fiscal year, the obligation of the Company for unfunded past services under the pension plan was estimated at \$47,727,890.

Labor Costs, Taxes Reviewed

Locations affected by cost-of-living provisions in their union



A.	COST OF LIVESTOCK, SUPPLIES, ETC.	71.12¢
B.	WAGES AND SALARIES	14.46¢
C.	MANUFACTURING, SELLING AND OTHER EXPENSES	4.25¢
D.	TRANSPORTATION COSTS	3.58¢
E.	EMPLOYEE BENEFITS	2.34¢
F.	ALL TAXES	2.02¢
G.	NET EARNINGS	1.56¢
H.	DEPRECIATION	.61¢
I.	INTEREST COST	.06¢

agreements had wages increased by 6¢ per hour on January 1, 1968, and 6¢ per hour on July 1, 1968. Further, following the national pattern of the industry, base rates were increased by 11¢ per hour and a job classification adjustment, which averaged 3¢ per hour, became effective September 2, 1968.

The payment and provision for all taxes for the year came to a total of \$11,832,862 — approximately \$2,699,000 more than the earnings for the year.

The balance on the bank term loan at the end of the year was \$4,004,000 with the next installment of \$998,000 being due on March 15, 1969. Other than this term loan, the Company had no money borrowed from banks during the year.

The investment of shareholders in the Company at the end of the year was \$70,220,170.

Hormel Grows Through Acquisition, New Plant Construction in 1968

Purveyors, Inc., a subsidiary established in 1965 in Minne-

apolis, Minnesota, was brought into the parent company in 1968 as a division thereof. The new distribution plant at New Orleans, Louisiana, was virtually completed during the fiscal year, with occupancy and use thereof commencing on December 7, 1968. The building constructed for and leased to the American Can Company at Fort Dodge, Iowa, was completed and turned over to the lessee as of October 1, 1968. Construction is in process for an addition to the building in Austin, Minnesota, that is presently leased to the American Can Company. After disappointing delays caused by heavy rainfall in the Atlanta, Georgia, area, substantial headway is being made on the new plant at that location. It is expected that facilities for the production of canned meats will be ready for occupancy by June, 1969, and that the balance of the building, to be used for the production of smoked and cured meat products, should be completed by late summer.

More complete information on the Company's capital expenditure program in 1968 appears on pages 15-17 in this report.

Increased Supplies of Cattle, Hogs Expected

With the projected increase in the supply of cattle and hogs that are expected to come to market in the year 1969, estimated to be 5% for hogs and 4% for cattle, your management is optimistic for the coming year. Your company produces products for which there is an increasing need throughout the nation and the world — food. The opportunity for development and growth is present. Your management is determined to exert its very best effort to achieve continuing excellent results in 1969.

Progress achieved in 1968 came about through the support, cooperation, and loyalty of our employees, our customers, our livestock producers, our shareholders, and our suppliers.

1968

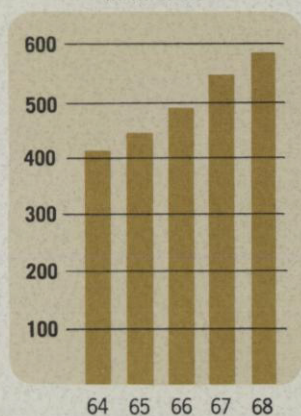


FINANCIAL SECTION

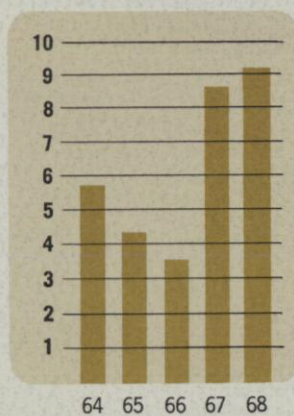
FINANCIAL COMPARISONS

FISCAL YEARS 1964-1968

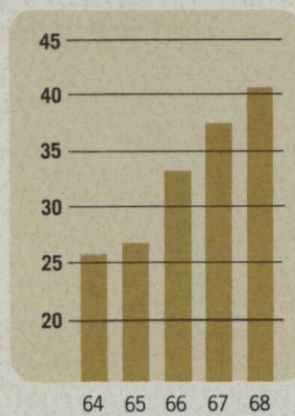
SALES
in millions



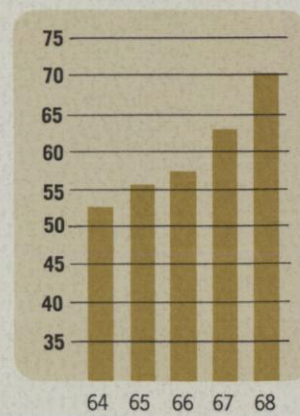
NET EARNINGS
in millions



WORKING CAPITAL
in millions



STOCKHOLDERS' INVESTMENT
in millions



FIVE YEAR REVIEW

(In thousands of dollars)

	1968	1967	1966	1965	1964
Sales	\$585,879	\$548,819	\$491,733	\$441,600	\$411,827
Net Earnings	9,134	8,658	3,511	4,351	5,725
Wage Costs	98,519	91,409	78,399	78,618	79,743
Total Taxes	11,833	9,633	4,774	4,950	6,477
Depreciation	3,578	3,417	3,198	2,902	2,527
Properties (net)	32,211	29,164	28,293	28,248	26,988
Working Capital	40,497	37,707	33,489	26,668	25,768
Stockholders' Investment	70,220	63,407	57,188	55,306	52,868
<hr/>					
Sales tonnage (million pounds)	1,508	1,427	1,161	1,200	1,272
Net earnings to:					
Sales	1.56%	1.58%	.71%	.99%	1.39%
Sales tonnage (cwt.)	61¢	61¢	30¢	36¢	45¢
Per share earnings, on common stock (adjusted)	\$3.84	\$3.64	\$1.48	\$1.83	\$2.41

STATEMENT OF FINANCIAL POSITION

	Oct. 26, 1968	Oct. 28, 1967
CURRENT ASSETS		
Cash	\$10,388,433	\$10,750,687
United States Government and other marketable securities —at cost which approximates market	14,567,961	14,524,846
Accounts receivable, less allowance \$100,000	24,599,816	22,288,266
Inventories of products, livestock, packages and materials —at lower of cost (principally first-in, first-out) or market	25,818,669	27,112,266
Prepaid insurance and other expenses	380,628	518,026
Total Current Assets	<u>\$75,755,507</u>	<u>\$75,194,091</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$31,449,842	\$31,321,018
Dividend payable November 15	714,074	476,050
Federal income taxes	2,096,394	5,690,187
Payments due within one year on long-term debt	998,000	—
Total Current Liabilities	<u>\$35,258,310</u>	<u>\$37,487,255</u>
WORKING CAPITAL	\$40,497,197	\$37,706,836
INVESTMENTS—at cost	517,782	539,890
PROPERTY, PLANT AND EQUIPMENT—on the basis of cost		
Land	\$ 1,009,809	\$ 906,588
Buildings	27,142,568	26,852,437
Equipment	36,859,487	35,182,533
Construction in progress	4,245,788	1,232,533
Less allowances for depreciation	(37,046,461)	(35,009,897)
	<u>\$32,211,191</u>	<u>\$29,164,194</u>
	<u>\$73,226,170</u>	<u>\$67,410,920</u>
LONG-TERM DEBT—less amounts due within one year		
Notes payable to banks, 5¼%, due \$998,000 annually from March 15, 1969 through 1972	3,006,000	4,004,000
STOCKHOLDERS' INVESTMENT	<u>\$70,220,170</u>	<u>\$63,406,920</u>

See note to financial statements.

STATEMENT OF STOCKHOLDERS' INVESTMENT

	Fiscal Year Ended	
	Oct. 26, 1968	Oct. 28, 1967
CAPITAL STOCK (at end of year)		
Preferred Stock, par value \$100 a share:		
Authorized 50,000 shares		
Issued and outstanding—none		
Common Stock, par value \$3.75* a share:		
Authorized shares:		
1968—3,000,000;		
1967—1,600,000		
Issued and outstanding — 2,380,248* shares	\$ 8,925,930	\$ 8,925,930
Additional paid-in capital	1,986,315	1,986,315
	<u>\$10,912,245</u>	<u>\$10,912,245</u>
EARNINGS REINVESTED IN BUSINESS		
Balance at beginning of year	\$52,494,675	\$46,276,192
Net earnings for year	9,133,993	8,658,237
	<u>\$61,628,668</u>	<u>\$54,934,429</u>
Deduct cash dividends on Common Stock (1968—\$.975 a share; 1967—\$.775* a share plus \$.25* extra)	2,320,743	2,439,754
Balance at end of year	<u>\$59,307,925</u>	<u>\$52,494,675</u>
TOTAL STOCKHOLDERS' INVESTMENT	<u>\$70,220,170</u>	<u>\$63,406,920</u>

*After giving effect to 2 for 1 split in February, 1968.

See note to financial statements.

STATEMENT OF EARNINGS

	Fiscal Year Ended	
	Oct. 26, 1968	Oct. 28, 1967
Sales, less returns and allowances	\$585,879,295	\$548,818,648
Interest and other income	442,309	223,069
	<u>\$586,321,604</u>	<u>\$549,041,717</u>
Costs and expenses:		
Cost of products sold	\$508,878,387	\$480,076,642
Selling and delivery expenses	51,582,986	46,201,946
Administrative and general expenses	6,505,084	5,989,018
Interest	321,154	378,874
	<u>\$567,287,611</u>	<u>\$532,646,480</u>
Earnings before income taxes	\$ 19,033,993	\$ 16,395,237
Federal income taxes	9,900,000	7,737,000
NET EARNINGS (Per Share 1968 - \$3.84; 1967 - \$3.64*)	<u>\$ 9,133,993</u>	<u>\$ 8,658,237</u>
Provision for depreciation included in costs and expenses 1968 - \$3,577,717; 1967 - \$3,416,964.		

*After giving effect to 2 for 1 split in February, 1968.

See note to financial statements.

NOTE TO FINANCIAL STATEMENTS OCTOBER 26, 1968

NOTE A — PENSION PLANS

The Company has several pension plans covering substantially all of its employees. The total pension expense for the year was \$6,064,000 which includes amortization of prior service cost over a thirty-year period from date of inception of plan or date of amendment. The Company's policy is to fund pension cost accrued. The actuarially computed value of vested benefits for all plans as of October 26, 1968, exceeded the total of the pension fund and balance sheet accruals by approximately \$23,760,000. The unfunded prior service cost was estimated to be \$47,727,890 at October 26, 1968.

ACCOUNTANTS' REPORT

ERNST & ERNST

FIRST NATIONAL BANK BLDG.

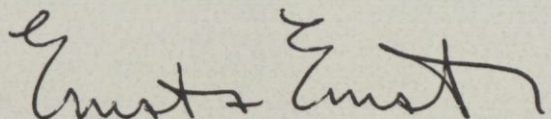
MINNEAPOLIS, MINN. 55402

To the Stockholders and Board of Directors
Geo. A. Hormel & Company
Austin, Minnesota

We have examined the statement of financial position of Geo. A. Hormel & Company as of October 26, 1968 and the related statements of earnings and stockholders' investment for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position, earnings and stockholders' investment present fairly the financial position of Geo. A. Hormel & Company at October 26, 1968 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Minneapolis, Minnesota
November 19, 1968

A handwritten signature in dark ink, appearing to read "Ernst & Ernst", is written in a cursive, stylized script.

DIRECTORS

R. D. Arney	James C. Hormel
Harold Butler	O. L. Marquesen
Bruce Corey	Gordon Murray
R. F. Gray	Geo. W. Ryan
I. J. Holton	M. B. Thompson

OFFICERS

R. F. Gray	Chairman of the Board	Robert M. Gill	Vice President
M. B. Thompson	President	L. D. Housewright, Jr.	Vice President
R. D. Arney	Executive Vice President	Clayton Kingston	Vice President
I. J. Holton	Executive Vice President and Secretary	Geo. W. Ryan	Vice President and Treasurer
R. J. Asp	Vice President	Donald S. Sorenson	Vice President
Harold Butler	Vice President	R. F. Potach	Controller
Bruce Corey	Vice President	E. C. Alsaker	Assistant Treasurer
E. H. Flitton	Vice President	Charles D. Nyberg	Assistant Secretary
E. J. Garrity	Vice President	Robert J. Thatcher	Assistant Secretary

ASSURING OUR LONG-TERM GROWTH

THE NEXT 12 MONTHS WILL SEE A CONTINUANCE OF THE MOST AMBITIOUS EXPANSION PROGRAM IN THE HISTORY OF THE HORMEL COMPANY. A CAPITAL EXPENDITURES BUDGET OF \$16,500,000 HAS BEEN AUTHORIZED FOR THE COMING YEAR — A NEW RECORD HIGH!

This high level of investment will aid materially in expanding the Company's productive capacity for existing as well as new products while also helping to reduce operating costs. Spending of the capital investment dollar is required by The Hormel Company to attain further growth and progress in the years ahead.

New Orleans Distribution Plant Opened

A number of significant capital additions were made in 1968 to help strengthen this growth. Construction of the New Orleans distribution plant was completed in December. Of major importance in the 24,300 square foot facility

is the completely modern food service operation which will accommodate the growing restaurant, hotel and motel, and other "away-from-home" eating establishments in the New Orleans area.

This installation — coupled with the increased space for handling and distribution of product — will enhance the Company's ability to serve the booming consumer market in the South.

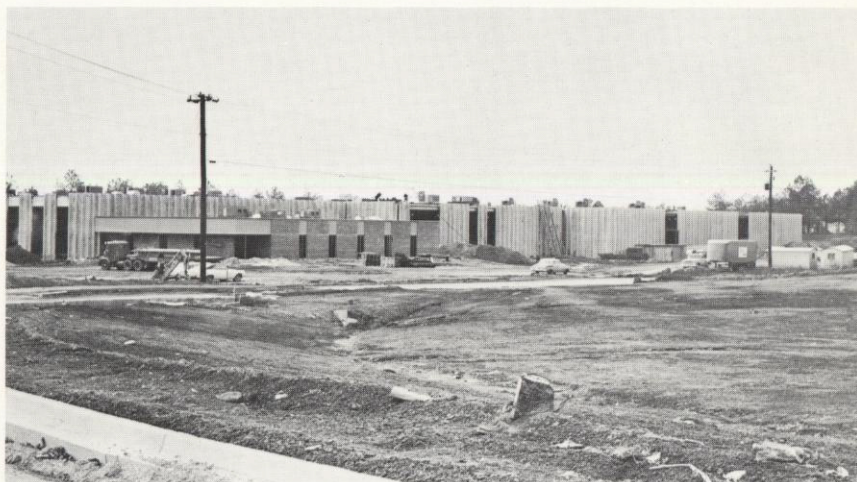


New Orleans distribution plant.

Atlanta, Georgia Plant Is Nearing Completion

Construction of the largest non-slaughtering plant within the Hormel organization is progressing at a lively pace. Production lines for the canning of Hormel Chili, Dinty Moore Beef Stew and Mary Kitchen Corned Beef Hash will be in operation in June. Canning facilities for Hormel Vienna Sausage and Hormel Pig's Feet will be installed at a later date.

A sizeable segment of the new distribution plant will be devoted to the manufacture of Cure 81 Hams, Hormel wieners, bologna, and other smoked sausages. Bacon and luncheon meat slicing and packaging lines will be installed along with a total food service area. Abundant cooler and freezer space will hold beef quarters for ultimate sale to both retail and wholesale markets in Atlanta and the Southeast. It is expected that these facilities will become operative in late summer of 1969.



Atlanta distribution plant.

New Research Building Is Site of Increased Product Studies, Tests

New product development will be the principal function being performed in the 11,150 square foot Research and Development building — constructed last summer directly north of the Hormel Corporate Offices in Austin.

Concerted efforts will be directed to the study of potential new products that can be developed and ultimately merchandised by The Hormel Company. Other biochemical research, shelf life studies, and fats and oils studies will be handled in laboratories at the Austin plant.

Construction of the new building is the initial phase of an ambitious program undertaken by Hormel to intensify its research activities.

Can Assembly Plant, Towering SPAM Cooker Built at Fort Dodge

The quantity of Grocery Products items manufactured at the Fort Dodge plant will be increased considerably in the months to follow. Almost all of the fresh sausage operations in Fort Dodge have been transferred to other Hormel plants to allow for greater production of canned items.

To complement this significant



Research and Development building.

change, Hormel has installed a SPAM hydrostatic cooker — a 65 foot high unit which can cook SPAM in cans at the amazing rate of 350 cans per minute. This new productivity is further augmented by the construction of a 72,000 square foot can assembly plant adjacent to the Fort Dodge plant. SPAM "RingSide" aluminum containers will be formed in the new American Can Company building and sent directly to Hormel production lines for prompt filling, sealing, and eventual shipment to consumers.

While finishing touches are being applied to the American Can Company building in Fort Dodge, construction workers are busy expanding the American Can facility in Austin. Some 22,000 square feet are being added to the present structure — raising the total number to over 97,000 square feet.

Three Demonstration Hog Buildings Now Utilized At Experimental Farm

Three new, all modern environment controlled hog houses have been constructed at the Hormel Experimental Farm in Austin.

These units are being used for research purposes to determine the most practical, efficient, labor-saving methods of finishing top-quality hogs. Results from these thorough studies will be made available to swine producers throughout the United States.

Facility, Capacity Requirements To Be Expanded in 1969

Plans are progressing towards the proposed construction of a new distribution plant in Dallas, Texas. Six acres of land were purchased one year ago in the Red Bird Industrial Park as the site for a 60,000 to 80,000 square foot building. The construction of this new plant will provide Hormel with additional facilities for the processing of smoked meats and the distribution of other Company products.

Approximately five acres of land were purchased in Seattle, Washington, for the building of a new distribution outlet in that city. Although construction is not slated to commence in 1969, work on preliminary drawings and blueprints is progressing.

During our 1968 fiscal year, The Hormel Company's canning facilities in Stockton, California, were further expanded. Entirely new processing and canning lines were installed, along with additional cooler and freezer space, providing Hormel with increased capacity for the production of Dinty Moore Beef Stew, Dinty Moore Meat Ball Stew, Mary Kitchen Roast Beef and Corned Beef Hash, Hormel Chili, and other products.

Possibilities for construction of a large warehouse on the West Coast are now being explored by Company officials.

Additional Avenues Of Expansion Sought

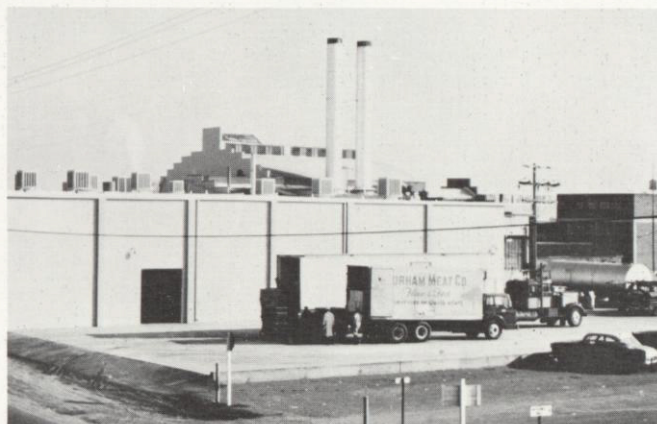
In late December, announcement was made of the establishment of the Huron Processing Company. This is a joint venture between Hormel and the Rod Barnes Packing Company into the animal by-product and feed processing business.

A 60 x 120 foot building will be equipped with a completely automated inedible processing system.

Studies are currently being made on the feasibility of constructing additional manufacturing facilities for the Company's Dry Sausage Division. It is anticipated that increased facilities will be needed to meet the growing demand for this nationally-known line of Hormel products.



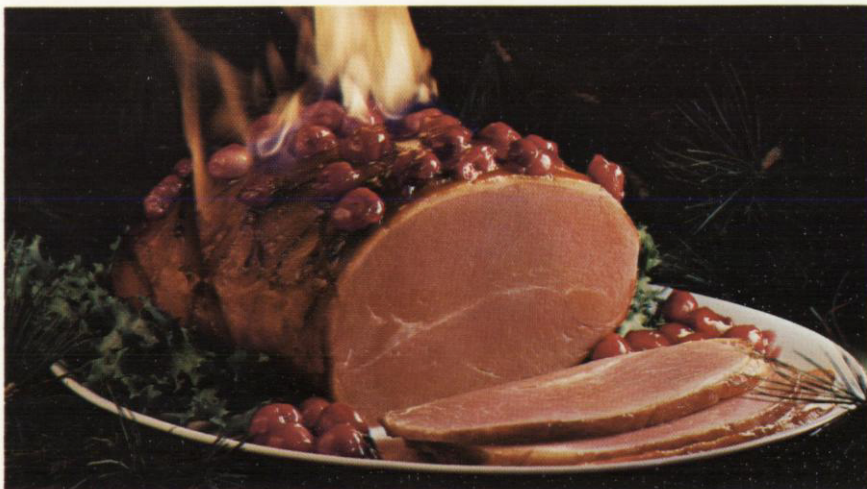
Hormel Experimental Farm.



Canning facilities at Stockton

NEW MARKETING SUCCESSES

QUALITY PRODUCTS, CONSISTENT ADVERTISING, AND LARGER PRODUCTION FACILITIES HELPED TO AUGMENT THE COMPANY'S MARKETING ADVANCES. IN EMERGING FIELDS AND IN ESTABLISHED MARKETS, TOTAL SALES REACHED RECORD HEIGHTS.



Cheery Cherry Glaze Cure/81 Ham.

A solid advertising and promotional program contributed greatly to the continuing success story of Cure 81 Ham. A series of colorful recipe pads helped to explain the various ways Cure 81 could be served. Orange Cranberry Glaze, Cheery Cherry Glaze, Cure-master's Glaze and other recipe suggestions have become household favorites.

This promotional effort was strengthened with advertisements appearing regularly in such publications as LIFE, Reader's Digest, Family Circle and others. This was further complemented with continuous radio, television, and newspaper advertising in many local markets.



New, Improved Concept In Luncheon Meat Packaging Is Introduced by Hormel

Perma-Fresh is the name of the new and improved resealable package used in the marketing of all Hormel luncheon meats. This latest innovation is far superior to any other luncheon meat package on the market, and for numerous reasons.

It has a stronger seal to aid in maintaining freshness and flavor, and a reinforced plastic bubble and pull tab for easier opening. The new yellow plastic base contributes immeasurably to the attractive, eye-appealing package. A concerted advertising campaign has been developed to acquaint consumers with this new technique in packaging.

Delicato Brand Dry Sausages Are Introduced

The Hormel Company has also unveiled a Delicato brand of Dry Sausage products consisting of three items; namely, Genoa, Cacciatore, and Sopressata. The craftsmanship used in the manufacture of these gourmet sausages, along with the attractive style of packaging, is expected to build consumer popularity and acceptance equal to that of many Italian imported sausages. This new product line retains the "Old World" distinction associated so closely with Hormel Dry Sausage products.

Seven exact weight vacuum packed Dry Sausage favorites are now marketed in colorful new packages. These products — Old Smokehouse Thuringer, Di Lusso Genoa, Tangy Summer Sausage, Range Brand All Beef Summer Sausage, Hard Salami, Pepperoni, and Piccolo Salami — are packaged in chunks measuring 5½ inches long and 1½ inches in diameter. The ends are square cut. Hormel is the first to market products in this form, assuring retailers of receiving individual sized sausages with precise weights.



Six favorite Dry Sausage products.

SPAM, Dinty Moore Beef Stew Report Healthy Increases

National distribution of SPAM in the revolutionary "RingSide" aluminum container has been achieved. As a result, total sales for SPAM — already the world's largest selling brand of consumer canned meats — showed a fine increase in 1968.

The adoption of a colorful new label design for Dinty Moore Beef Stew was an important factor in the record sales attained by this product in the past year.

Sales of Dinty Moore Meat Ball Stew have been climbing steadily since introduction of this product in 1967. This new "hot meal" has become a family favorite in all segments of the country.

The Grocery Products Division is in the midst of a refinement in its organizational structure. The most significant development emanating from the new structure was the introduction of the brand management concept. This will result in a greater concentration on all the factors that influence decisions on brand or product lines.



Dinty Moore Meat Ball Stew

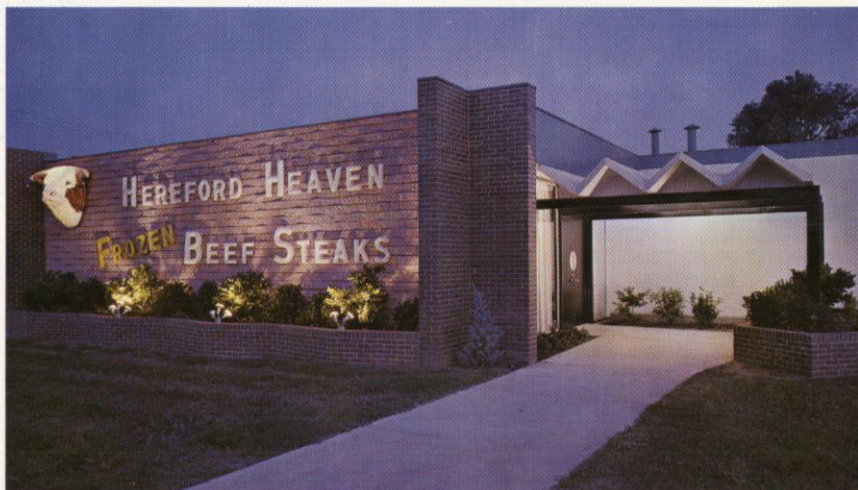
**Food Service Division
Has Highly-Successful
Year; Vending Sales Up**

The "Total Meat Program" created by the Food Service Division has been widely accepted by restaurants, hotels and motels, colleges and universities, and other mass feeding operations.

The Hormel Company has taken the preparation work out of the kitchens of many mass serving outlets and has, in addition, offered menu variety and sizeable labor savings to the customer. Such institutions as Luther College, Decorah, Iowa, welcome the convenience of serving the broad selection of Hormel frozen prepared entrees, as well as the complete line of canned entrees and the diversified line of fresh and smoked meat products. All of these quality meats are available in either bulk or portion control packs.



Hormel offers menu variety and convenience feeding.



Hereford Heaven Brands.

Hereford Heaven Brands, Oklahoma City, Oklahoma, is a division of The Hormel Company. This innovative firm manufactures quick-to-fix frozen steaks exclusively. Hereford Heaven frozen meat lines — Top Star, Yearling, Short-Horn, White Face, Hereford Heaven Chicken Fried Steak, and others — offer quality, convenience, and economy to both retail and food service customers. The popularity of Hereford Heaven frozen beef steaks proved to be a significant factor in the growth attained by the Food Service Division.

Sales of Hormel hot food vending items rose 92 per cent in 1968. Featuring delicious meal-time varieties, Hormel Beans with Wieners, Scalloped Potatoes and Ham, Noodles and Beef in Cream Sauce, and Beef Goulash attracted the attention of hungry lunch-goers everywhere.

These four vending items will be supplemented with four new products in early 1969. They are Noodles and Tuna, Chicken and Dumplings, Scalloped Corn and Ham, and Chili-mac.

**Industrial Products
Division Is Exploring
Growth Possibilities**

The Industrial Products Division has been successful in developing more diversified outlets for the manufacture and sale of gelatin, spices, beef and pork by-products. Additional steps are being implemented to further expand the Company's gelatin business with the dessert industry, confectionery and bakery trade, and pharmaceutical industries.

**Retailized Beef
Has Many Benefits**

A stimulus to sales of beef cuts has been developed by The Hormel Company. Known as "retailerized beef," this innovation presents an entirely different concept in beef marketing.

Retailized beef is a carcass of beef broken down into primal cuts and then further processed so that very little actual cutting remains for the retailer. These primal cuts are vacuum sealed in plastic bags to protect the color and tenderness.

